



OFFICE OF HUMAN RESOURCES

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## PENSION PROTECTION ACT OF 2006 (PPA) NOTICE

The PPA changed tax law so that certain sworn public safety retirees may be eligible to exclude from taxable income the amounts distributed from certain retirement plans and paid directly to a group health plan or insurance provider.

For purposes of the tax exclusion, the Internal Revenue Service stated in its guidance that only those public safety retirees under normal or disability retirement qualify for this exclusion. The IRS also stated that the law does **not** apply to those public safety retirees who retired under an early retirement or survivors of sworn public safety retirees regardless of the type of retirement. Please direct any questions regarding eligibility to your tax advisor or the IRS.

This tax exclusion applies to taxable amounts distributed from your retirement benefits and paid for medical, prescription, dental and vision coverage, up to a maximum of \$3,000.

**The total amount of annual eligible group insurance premiums you paid in 2014 can be found on your December 1, 2014 pay advice (available online at AccessMCG) which shows your year-to-date 2014 eligible group insurance premiums.** If you have not registered your AccessMCG account, read "AccessMCG Account Set Up for Retirees" (available at [www.montgomerycountymd.gov/ohr](http://www.montgomerycountymd.gov/ohr); click the Benefits tab at top left, then Retiree Health Insurance, and go to the Top Links section).

This deduction can be taken directly on the IRS Form 1040 and there is information regarding the exclusion in the IRS Form 1040 instruction booklet. Please contact your tax advisor or the IRS ([www.irs.gov](http://www.irs.gov)) regarding your eligibility under the Pension Protection Act of 2006 or if you need assistance in completing your IRS form 1040.

*Your OHR Health Insurance Team*